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THE

# INTERIM

A REPORT OF INTERIM ACTIVITY . . . MONTANA LEGISLATIVE COUNCIL . . . HELENA

SEPTEMBER 1983

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VOL. IV, NO. 4

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PERIODICALS

INTERIM SUBCOMMITTEES

SUBCOMMITTEE ON AGRICULTURAL LAND TAXATION

SEPTEMBER 10  
MEETING SCHEDULED

The first meeting of the Subcommittee on Agricultural Land Taxation is scheduled for September 10 in Helena. The Subcommittee will elect officers, adopt a study plan, review a staff report on the legal aspects of agricultural land taxes, and hear a report from Nancy Espy, Chairman of the Agricultural Land Valuation Advisory Council. Senators Leo Lane and Elmer Severson are members of both the Subcommittee and the Advisory Council. The meeting will be held at 9:30 a.m. in Room 104 of the Capitol.

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JOINT INTERIM SUBCOMMITTEE NO. 2

ORGANIZED  
AUGUST 30

Representative Bob Marks and Senator Paul Boylan were elected chairman and vice-chairman, respectively, of Joint Interim Subcommittee No. 2 on the evening of August 30. Following Subcommittee and public review and discussion of the study plans prepared by staff, the Subcommittee adopted the plans for both the navigability study under HJR 36 and the state lands study under HJR 40, although the latter plan was amended. The Subcommittee voted to limit its study of state lands to the management of forest resources, with particular emphasis on the problems associated with fire protection on the forest lands.

LAND MANAGEMENT  
REVIEWED

During the morning of August 31, the Subcommittee received presentations from State Lands Commissioner and from several representatives of the Department of State Lands Forestry Division. The presentations focused on general management of state forest lands and on fire control.

LAW PROF  
DISCUSSES  
NAVIGABILITY

Al Stone, Professor of Law, University of Montana, and expert on the subject of water law, gave a seminar to the Subcommittee during the afternoon. Professor Stone emphasized the complexity of the subject matter and pointed out that the theories and practices of states with regard to recreational use of waterways are only

now beginning to develop and be defined. An extensive question and answer period followed Prof. Stone's presentation.

DECEMBER SET FOR  
NEXT MEETING

The Subcommittee will next meet in early December. A date for the meeting has not yet been set.

#### JOINT INTERIM SUBCOMMITTEE NO. 3

TO ORGANIZE  
SEPTEMBER 16

Subcommittee No. 3 will hold its first meeting on Friday, September 16, beginning at 9:00 a.m. in Room 104 of the State Capitol.

During this organizational meeting, the Subcommittee will elect a chairman and vice-chairman and review, revise, and adopt study designs for four interim studies: state investments (HJR 4), court unification (SJR 25), public pensions (HJR 44), and insurance laws (HJR 29).

#### JOINT INTERIM SUBCOMMITTEE NO. 4

TO MEET  
SEPTEMBER 9

Joint Interim Subcommittee No. 4 will hold its first meeting on Friday, September 9, at 9:00 a.m. in Room 104 of the Capitol.

At this organizational meeting, the Subcommittee will elect a chairman and vice-chairman and review and approve or modify study designs and work plans prepared by staff. Study plans for HJR 43, Teacher Tenure, and HJR 45, the Role of Community Colleges, will be discussed in the morning session. The afternoon session, beginning at 1:00 p.m., will be devoted to discussion of the study design and work plan for HJR 41, Employment Preference. A background report on the employment preference issue will be presented.

Interested persons are invited to attend and respond to the proposed study designs and work plans.

#### SELECT COMMITTEE ON WATER MARKETING

COMMITTEE  
ORGANIZED

During its first meeting on August 4, the Select Committee on Water Marketing elected Senator Jean Turnage as chairman and Representative John Shontz as Vice-Chairman.

The Committee approved the general format of a work plan presented by the staff but directed the staff to seek public comment on the scope of the proposed study. Comments from interested persons attending the meeting emphasized the importance of water to agriculture. It

was also suggested that the study be limited to questions of water law, policy, and availability and not to address questions dealing with the demand for coal and coal transportation systems.

TO REVIEW  
LEGAL ISSUES  
OCTOBER 1

The Committee directed the staff to prepare a summary of legal issues pertaining to water marketing for consideration at its next meeting, which is tentatively scheduled for October 1.

SELECT COMMITTEE ON INDIAN AFFAIRS

OFFICERS ELECTED

The Select Committee on Indian Affairs held its first meeting of the interim on August 18 in Billings. Committee members elected Senator Reed Marbut as chairman and Representative Ramona Howe as vice-chairman. During the morning session of the meeting, the Committee heard staff reports on activities of past legislative Indian affairs committees, state-tribal litigation, and the Indian Jurisdiction project. In the afternoon, members met with the Montana Inter-Tribal Policy Board (MITPB). Caleb Shields, MITPB chairman, suggested several areas

PROBLEM AREAS  
OUTLINED

for the Committee to consider during the legislative interim including jurisdictional and practical problems involved in the commitment of mentally ill Indians for mental health treatment, impact aid for public schools, delivery of social services, reallocation of alcohol and gas revenues, licensing of foster homes, and tribal acquisition of state lands on the reservation. Following discussions with the MITPB, the Committee selected the following topics to address during the next 16 months:

TOPICS SELECTED

- (1) Status of cooperative agreements;
- (2) Delivery of social services, including mental health services, to tribal members;
- (3) Excise taxation;
- (4) Resource taxation and tax credits;
- (5) State lands on reservations;
- (6) Education issues;
- (7) Fish and game matters; and
- (8) Water rights.

NEXT MEETING  
OCTOBER 27

Members agreed to hold meetings on each Indian reservation if the Committee budget can support this undertaking. The next Committee meeting is tentatively scheduled for Thursday, October 27, in Helena. At this meeting, the Committee will meet with state agency staff on state-tribal issues.

#### REVENUE OVERSIGHT COMMITTEE

AUGUST 26  
MEETING HELD

The Revenue Oversight Committee met in Helena on August 26 to consider various reports from the Department of Revenue and to review Departmental rules. The Committee heard reports on property reappraisal, activities of the Liquor Division, and the status of legal cases affecting taxation.

NEXT MEETING  
NOVEMBER 9 AND 10

The next meeting of the Revenue Oversight Committee is scheduled for November 9 and 10 in Helena to consider staff reports relating to the property tax classification system. There will also be a property tax seminar held in Helena on December 9 and 10, conducted by the Lincoln Institute, that will examine both theoretical and practical issues related to property tax classification issues. More detail will follow.

SEMINAR IN  
DECEMBER

#### COAL TAX OVERSIGHT SUBCOMMITTEE

CTO ORGANIZES

Representative Glenn Roush was elected chairman of the Coal Tax Oversight Subcommittee on August 11. Chosen vice-chairman was Senator Delwyn Gage. The Subcommittee heard reports from Don Hyppa, Acting Administrator, Parks Division, Department of Fish, Wildlife and Parks, on the status of the Parks Acquisition fund, and from Terry Johnson of the Office of Budget and Program Planning on coal severance tax collections. A copy of his tabulation of the uses of coal tax funds is attached to this issue of The Interim. Scheduled for October 20 and 21 is a trip to Beulah, ND, to inspect the Great Plains Coal Gasification Plant nearing completion and to Wibaux to see the proposed location of such a plant in Montana. This tour is to fulfill the mandate of HJR 2, which requested the Coal Tax Oversight Subcommittee to cooperate with a committee of the North Dakota Legislature to mitigate impacts of construction of the Wibaux plant. On November 18 in Room 104 of the Capitol, the Subcommittee will hear reports from the Department of Revenue and from the Coal Board.

FUND REPORTS  
HEARD

GASIFICATION  
TOUR SCHEDULED  
OCTOBER 20, 21

HELENA MEETING  
SET FOR NOVEMBER

#### LEGISLATIVE COUNCIL

##### MCA MICROFICHE

The microfiche version of the 1983 Code was mailed August 18 to all code subscribers. The Code, which consists of 10,500 pages in nine volumes, is reproduced on 24 4" x 6" fiche.

Because the regular book version of the Code will not be available until October or later, subscribers have been enthusiastic over early access to the updated version of the statutes via microfiche.

##### MANY CODE SECTIONS CHANGED

There were approximately 3,500 code sections affected by the 1983 Legislature. 1,025 new sections, 255 sections repealed, 58 sections renumbered, and approximately 2,160 amended sections.

#### LEGISLATIVE AUDIT COMMITTEE

##### LEGISLATIVE AUDIT COMMITTEE MEETING

The Legislative Audit Committee will meet October 3 in Room 104 of the State Capitol.

The Committee will receive and review various financial/compliance and performance audit reports.

##### REPORTS AVAILABLE

Copies of all reports are available from the Office of the Legislative Auditor, Room 135, State Capitol, telephone 449-3122, after being presented to the Legislative Audit Committee.

#### ENVIRONMENTAL QUALITY COUNCIL

##### OCTOBER 7 DATE SET

The Environmental Quality Council has scheduled its next meeting for Friday, October 7, in Room 104 of the Capitol. The meeting will begin at 9:00 a.m. EQC subcommittees tentatively will meet prior to or following the full Council meeting. Agendas and exact times of all of the meetings will be mailed shortly to those on the interested persons lists.

OFFICE OF BUDGET AND PROGRAM PLANNING  
COAL SEVERANCE TAX DATA

Accounting Entity	Accounting Entity Name	Actual FY 80	Actual FY 81	Actual FY 82	Actual FY 83	Estimated FY 84
01100 Tax	General Fund Account	\$ 20,222,579	\$13,378,906	\$ 16,375,501	\$ 15,208,546	\$ 18,744,00
02007 Interest	Regents Coal Tax	474,621	390,886	792,139	1,190,656	1,715,00
02036 Tax	Acquisition of Sites and Areas	171,799	0	0	0	815,00
02036 Interest	Acquisition of Sites and Areas	253,740	490,378	552,367	633,862	4,933,00
02217 Tax	Public School Equalization	5,210,070	3,520,751	4,309,342	4,002,249	5,145,00
02217 Interest	Public School Equalization	1,423,862	1,172,659	2,376,417	3,571,967	5,145,00
02265 Tax	County Land Planning	521,007	352,075	430,934	400,225	493,00
02266 Tax	Local Impact	9,030,162	6,161,314	7,541,349	7,003,936	8,632,00
02270 Tax	Coal Area Highway Improvement	1,786,708	0	0	0	493,00
02320 Tax	State Library	383,568	352,075	430,934	400,225	493,00
02340 Interest	Cultural & Aesthetic Projects	0	0	276,184	316,931	408,00
02951 Tax	Alternative Energy Research	1,514,667	1,760,376	2,055,346	1,801,012	2,220,00
02317 Tax	Conservation District	0	0	99,325	200,112	247,00
03002 Tax	Renewable Resources Bond	1,302,518	880,188	1,077,336	1,000,562	617,00
	Water Development	0	0	0	0	617,00
05009 Interest	Permanent Trust Interest	2,118,130	5,099,806	11,727,060	18,520,100	22,808,00
08020 Tax	Park Acquisition Trust	2,089,639	1,760,376	2,154,671	2,001,125	2,466,00
08021 Tax	Education Trust	8,995,772	7,041,502	8,618,685	8,004,498	9,865,00
08021 Interest	Education Trust	210,942	173,727	352,062	529,180	762,00
08022 Tax	Adult Basic Ed/Vo-Tech Centers	0	0	0	0	49,327,00
	Permanent Trust	23,024,226	35,207,511	43,093,423	40,022,491	98,654,00
Total Tax:		\$ 74,252,715	\$70,415,074	\$ 86,186,846	\$ 80,044,981	\$ 98,654,00
Total Interest:		\$ 4,481,295	\$ 7,327,456	\$ 16,076,229	\$ 24,762,696	\$ 31,653,00
<b>GRAND TOTALS</b>		<b>\$ 78,734,010</b>	<b>\$ 77,742,530</b>	<b>\$ 102,263,075</b>	<b>\$ 104,807,677</b>	<b>\$ 130,307,00</b>
<b>Trust Fund Balances as of 6/30/83 and Approximate Rate of Return</b>						
08020	Park Acquisition Trust	\$ 9,481,542	10.22%			
08021	Education Trust	\$ 52,665,408	12.57%			
08022	Permanent Trust	\$158,358,806	13.00%			
	Total Trust Fund Balances 6/30/83	\$220,505,756				

- 1 These amounts must be totalled to be comparable to previous years.
- 2 This amount includes the 15% returned to the permanent trust fund.

# LEGISLATIVE INTERIM CALENDAR

SUNDAY MONDAY TUESDAY WEDNESDAY THURSDAY FRIDAY SATURDAY

September

\*\*All meetings are subject to change.

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1	2	3
4	5 LABOR DAY	6	7	8	9 Interim Subcommittee #4 Room 104 9:00 a.m.	10 HJR 35 (Agricultural Land Taxation) Room 104 9:00 a.m.
11	12 CSG (Council of State Governments) Annual Meeting -- Fairbanks, Alaska	13	14	15	16 Interim Subcommittee #3 Room 104 9:00 a.m. (ALL Day)	17
18	19	20	21 Legislative Council Meeting Room 139 10:00 a.m.	22	23	24
25	26	27	28	29	30	
	Five State Conference Cody, Wyoming					

(Ends at noon on the 27th)

# LEGISLATIVE INTERIM CALENDAR

October

SUNDAY MONDAY TUESDAY WEDNESDAY THURSDAY FRIDAY SATURDAY

						1 Select Committee on Water Marketing 8 a.m. -- All Day Room 104
2	3 Legislative Audit Committee Room 104 ALL Day	4	5	6	7 Environmental Quality Council Room 104 ALL Day	8
9	10 Columbus Day	11	12	13	14	15
16	17	18	19	20	21	22
23	24 30	25 31 Halloween	26	27 Select Committee on Indian Affairs 9:00 a.m. Room 104	28	29

\*\*All meetings are subject to change



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